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DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON 25, D. C.

IN REPLY REFER TO

Op-922H2/bmh
Ser B1/003111-54

17 DEC 1954

MEMORANDUM

From: Director of Naval Intelligence
To: Secretary, Intelligence Advisory Committee

25X1A

Subj: Special Budget Analysis - FY 1956

Ref: (a) IAC-D-77/4 of 3 Dec 1954

1. The following comments and recommendations concerning the draft paper "Budget Analysis on Overt Intelligence Collection" are forwarded in response to reference (a):

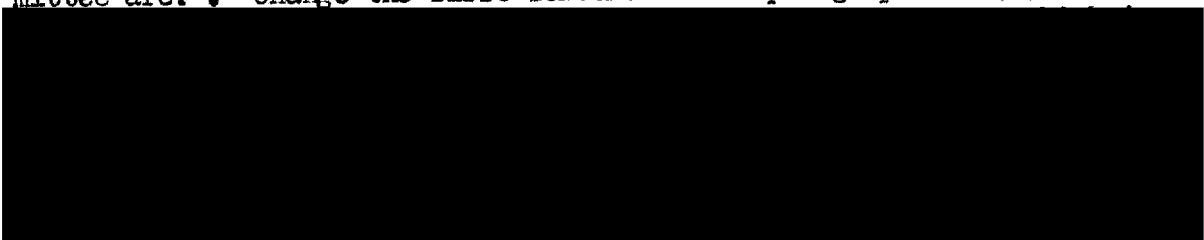
a. Recommendation. Change the last sentence in subparagraph 1.a., page 1, to read: "Establishment of the Procurement Subcommittee has enabled the full-time and part-time Publications Procurement officers and other designated officers at major Foreign Service posts to receive coordinated advice and instructions covering the needs of most Washington Agencies".

Comment: This change conforms more closely to the actual functions of the Procurement Subcommittee, i.e., the furnishing of recommendations concerning coordinated procurement action.

b. Recommendation. After the second word in the second sentence in subparagraph 1.c., page 2, insert "reviewing and making recommendations concerning".

Comment: This change delimits the responsibilities of the subcommittee in accordance with its terms of reference.

c. Recommendation. Change the third sentence in subparagraph 1.c., page 2, to read: "Among the principal accomplishments of this subcommittee are:". Change the first sentence in subparagraph 1.c.(1) to read:



d. Recommendation. Change the first sentence in subparagraph 1.c.(4), page 3, to read: "(4) Interagency arrangements for more effective utilization of a wide variety of publications and materials."

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Op-922H2/bmh
Ser B1/003114-54
17 DEC 1954

Comment: The present sentence contains unessential details and, to a certain extent, is inexact as regards the activity of this subcommittee.

e. Recommendation. The last subparagraph (following subparagraph 1.c.(4)) on page 3 is substantially a restatement of subparagraphs 1.c.(2) and 1.c.(3) and should be deleted.

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f. Comment: Interagency arrangements under NSCID 7 are described on page 5. It is noted that the agreement concerning the exploitation of [REDACTED] by Naval District Intelligence officers is omitted.

g. Recommendation. Subject to Department of State concurrence, change the first three words of paragraph 2, page 8, to read: "The most serious to the Department of State...".

Comment: This discrepancy is not considered to be the most serious shortage handicapping the intelligence community.

h. Recommendation. Change the first sentence on page 10 (lines 1 through 4) to read: "Substantial improvement in military intelligence collection under present personnel, equipment and operating expense limitations, apart from....etc".

Comment: This change offers a more comprehensive expression of the Military Attache situation.

i. Recommendation. Delete subparagraph 3.a., page 10.

Comment: This subject is under active consideration by both the EIC and its Subcommittee on Requirements and Facilities for Collation. While coordination undoubtedly can and will be improved during FY 1956, no altered emphasis and/or modified coordination is anticipated.

j. Recommendation. Change the first sentence of subparagraph 3.c., page 11, to read: "One of the objectives of intelligence....etc".

Comment: This situation is not considered a "major problem", but rather a desired improvement which is receiving increased emphasis in proportion to its probable intelligence potential.

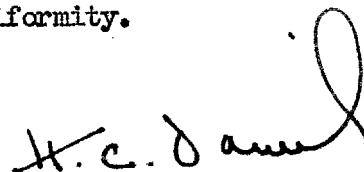
k. Recommendation. Change the second sentence of subparagraph 3.c., page 11, to read: "Many of these individuals are well informed....etc".

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Op-922H2/bmh
Ser B1/00314-54
17 DEC 1954

Comment: Reference to MAAG personnel participating in intelligence activities is considered unnecessary and undesirable. Mention of FOA and USIA in this sentence is deleted for uniformity.



H. C. DANIEL
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